



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 16, 1997

Thomas W. Gallagher, Esq.
Senior Vice President, General
Counsel & Secretary
Citizens Banking Corporation
328 S. Saginaw Street
Flint, Michigan 48502-2401

Dear Mr. Gallagher:

The Secretary of the Board of Governors of the Federal Reserve System, acting pursuant to authority delegated by the Board, and having considered the record of these applications in light of the relevant statutory factors, has approved the application of Citizens Banking Corporation, Flint, Michigan ("Citizen"), to acquire CB Financial Corporation, Jackson, Michigan ("CB Financial"), pursuant to section 3 of the Bank Holding Company Act (12 U.S.C. § 1842) ("BHC Act"), and thereby indirectly acquire CB Financial's wholly owned bank subsidiaries, City Bank and Trust Company, Jackson, Michigan; City Bank, St. Johns, Michigan; and CB-North, Charlevoix, Michigan (collectively, CB Banks"). In addition, Citizen's wholly owned bank subsidiary, Citizens Bank, Flint, Michigan ("Citizens Bank"), a state member bank, has applied to merge with CB Banks pursuant to section 18(c) of the Federal Deposit Insurance Act (12 U.S.C. § 1828(c)) ("Bank Merger Act"), with Citizens Bank as the survivor; and incident thereto, to establish branches under section 9 of the Federal Reserve Act (12 U.S.C. § 321).^{1/}

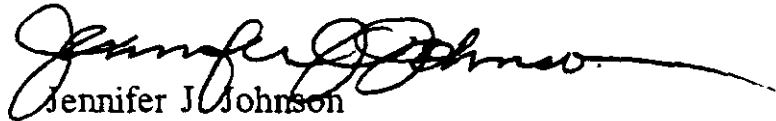
In approving these applications, the Secretary has relied on all the facts of record and all representations and commitments made by Citizens in these applications and in related correspondence in light of the factors set forth

^{1/} The Secretary also has approved the application, pursuant to section 3 of the BHC Act, of Citizens to exercise an option to acquire up to 19.9 percent of the voting shares of CB Financial if certain events occur. These options would become moot upon consummation of Citizens' proposed acquisition of CB Financial.

in the BHC Act, the Bank Merger Act, and the Federal Reserve Act. These commitments are conditions imposed in writing in connection with the findings and decision herein, and, as such, may be enforced under applicable provisions of law.

These transactions may not be consummated before the fifteenth calendar day following the date of this letter, or later than three months after the date of this letter, unless such period is extended by the Federal Reserve Bank of Chicago ("Reserve Bank"), acting pursuant to delegated authority. In connection these provisions, advice of the fact of consummation should be given to the Reserve Bank.

Very truly yours,

A handwritten signature in black ink, appearing to read "Jennifer J. Johnson", with a long, sweeping horizontal line extending to the right.

Jennifer J. Johnson
Deputy Secretary of the Board

cc: Federal Reserve Bank of Chicago
Department of Justice
Michigan Commissioner of
Financial Institutions Bureau